

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

In Re the Matter of)	CA 05-06
)	
ISLAND QUALITY HARDWARE)	
SUPPLY, INC. and Daniel K. Rosario,)	
)	
Respondents.)	
_____)	

CONCILIATION AGREEMENT

On or around April 2004, Robert Y. Watada, Executive Director for the Campaign Spending Commission ("Commission"), initiated an investigation of Respondents, Island Quality Hardware Supply, Inc. and Daniel K. Rosario ("Rosario"). Business Registration Division records lists Rosario's business purpose as wholesale hardware, whose business address is P.O. Box 6397, Honolulu, Hawaii. Business registration records list Daniel K. Rosario as its president/treasurer and Henry V. Rosario Sr., as vice president/secretary. The investigation was initiated pursuant to the express authority of section 11-193, Hawaii Revised Statutes ("HRS"), for a determination of whether the campaign spending law had been violated and a complaint would be submitted to the Commission.

NOW, THEREFORE, Rosario and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondents and the subject matter of this administrative action.
- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of remedial or

corrective action taken by Respondents pursuant to section 11-216(g),
HRS.

- III. That Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- IV. That Respondents waive the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- V. That Respondents enter into this Agreement with the Commission on their own volition and with full knowledge and understanding.
- VI. That parties agree to the pertinent facts as follows:
 - 1. On or around April 2004, Robert Y. Watada, in his capacity as Executive Director of the Campaign Spending Commission, and upon information received through the disclosure statements of the candidate campaign committees of:

Arnold Morgado ("Morgado"),
Jeremy Harris ("Harris"),
Kimo Apana ("Apana"),
Mazie Hirono ("Hirono") and
Mufi Hannemann ("Hannemann")

initiated an investigation involving excess contributions in violation of particular campaign finance statutes.
 - 2. Section 11-204(a)(1)(c), HRS reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to:...A candidate seeking nomination or election to a four-year nonstatewide office or to the

candidate's committee in an aggregate amount greater than \$4,000 during an election period.

3. Section 11-202, HRS reads in part as follows: No person shall make a contribution of the person's own money or property, or money or property of another person to any candidate, party, or committee in connection with a nomination for election, or election, in any name other than the true name of the person who owns the money or who supplied the money or property.
4. The Commission finds that during the period of 1996-2000, Daniel Rosario, family members and associates made contributions to subject candidates in the amount of \$24,300, including \$1,000 to Morgado, \$17,000 to Harris, \$500 to Apana, \$3,800 to Hirono and \$2,000 to Hannemann.
5. The Commission finds that Rosario, family members and associates made contribution to Harris in the amount of \$17,000 including the following individuals:

Daniel K. Rosario	12/1996	\$1,000
Daniel K. Rosario	9/1997	\$1,000
Kamaka Rosario	9/1997	\$1,000
Theodore Taketa	9/1997	\$1,000
John P. Baker	6/1998	\$1,000
Caroline Akana	6/1998	\$1,000
Daniel K. Rosario	12/1999	\$1,000
Kamaka Rosario	4/2000	\$1,000
Barbie Rosario	4/2000	\$1,000
Daniel K. Rosario	4/2000	\$1,000
Theodore Taketa	4/2000	\$3,000
Lillian Izumi	9/2000	\$3,000
Barbie Rosario	9/2000	\$1,000

6. The Commission finds that Rosario made contributions to Hirono in the amount of \$3,800 including the following individuals:

Daniel K. Rosario	10/1998	\$1,000
Kamaka Rosario	10/1998	\$1,000
Daniel K. Rosario	10/2002	\$ 900
Kamaka Rosario	10/2002	\$ 900

7. The Commission finds that Daniel K. Rosario and his wife Barbie made two contributions to Hannemann for a total of \$2,000.
8. That Rosario did not file an organizational report pursuant to section 11-194, HRS.
9. That Rosario did not file disclosure reports pursuant to sections 11-212 and 11-213, HRS.

VII. Settlement Terms

As final settlement of the matter and issues in Conciliation Agreement #05-06, Rosario understands and agrees to the following:

- (A) Rosario agrees to an assessment of **Nine Thousand Five Hundred Dollars (\$9,500)** pursuant to section 11-228, HRS.

- (1) For violation of section 11-202, HRS, making false name campaign contributions to the candidate campaign committees of Harris and Hirono,
- (2) For violation of section 11-204, HRS, making excess campaign contributions to the candidate campaign committee of Harris, and

(3) For failure to file an organizational report and required disclosure reports, pursuant to sections 11-194, 11-212, and 11-213, HRS.

(B) Rosario agrees to comply with campaign finance statutes on contribution and expenditures to candidate committees.

(C) Terms of payment of the assessment shall be by Order of the Commission.

VII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review compliance with the Agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action in the Circuit Court of the First Circuit pursuant to section 11-228(c), HRS.

VIII. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.

IX. This Agreement constitutes the entire agreement between the Commission and Rosario on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.

X. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter.

FOR THE COMMISSION:

Robert Y. Watada, Executive Director

By: _____

Date: _____

BY THE RESPONDENTS:

Island Quality Hardware, Inc.

By: _____

Name

Title

Date: _____

Daniel K. Rosario

Date: _____